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PREPARED BY: Phil Hovis
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PHONE: 471-0057

LB 380

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See below		See below	
CASH FUNDS	See below	See below	See below	See below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below	See below	See below	See below

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

Legislation enacted in 1998 (LB1100) provided, with certain exclusions, that in the year following completion of a state agency capital construction project, the Department of Administrative Services (DAS) was to annually thereafter assess depreciation charges to the relevant state agency on the basis of 2% of the total project cost. In the case of acquisition of an existing facility, the depreciation charge was based upon 2% of the greater of the acquisition price or the value of the facility as determined by DAS. LB410, enacted in 2003, suspended these charges for 2003-04. LB1092, enacted in 2004, suspended the charges for 2004-05 and provided for reinstatement of the charges at a 1% rate for 2005-06. The charges remained at this 1% rate through 2008-09. LB318, enacted in 2009, suspended the charges for 2009-10 and 2010-11 after which, the charges are to be reinstated at the 1% rate beginning with 2011-12. Amounts remitted by state agencies for these 'LB1100' depreciation charges have been credited, as applicable, to the State Building Renewal Assessment Fund (Sec. 81-188.01), University Building Renewal Assessment Fund (Sec. 81-188.03), and State College Building Renewal Assessment Fund (Sec. 81-188.05). The funds are administered by the "309" Task Force for Building Renewal (a division of DAS). In general terms, amounts from the respective funds are authorized to be expended for building renewal projects and other building improvements incident to approved building renewal projects.

LB380 would suspend assessment of 'LB1100' depreciation charges for 2011-12 and 2012-13. Under provisions of the bill, the depreciation charges would resume at the 1% rate for 2013-14 and future years. As such, the bill would result in a reduction of revenue that accrues to the three building renewal assessment (cash) funds in the amounts estimated below. Correspondingly, affected state agencies would be relieved of expenditures for depreciation charges in like amounts. Expenditures by state agencies for such charges have historically been supported with General Fund appropriations. As indicated above, depreciation charges accruing to the respective building renewal assessment funds are authorized to be expended for building renewal projects and other improvements incident to approved building renewal projects. Reduction of these charges as proposed by LB380 will result in corresponding reductions in amounts available to be expended for building renewal projects.

Under current law, the following amounts are estimated to be assessed by DAS as 'LB1100' depreciation charges and remitted by various agencies to DAS for credit to the three building renewal assessment funds:

	No Charges 2010-11	@ 1% Rate 2011-12	@ 1% Rate 2012-13
State Building Renewal Assessment (Cash) Fund	-0-	1,404,140	1,404,140
University Building Renewal Assessment (Cash) Fund	-0-	8,666,747	9,455,517
State College Building Renewal Assessment (Cash) Fund	-0-	894,873	943,873
	<u>-0-</u>	<u>10,965,760</u>	<u>11,803,530</u>

Under LB380, these charges are estimated as follows:

	No Charges 2010-11	No Charges 2011-12	No Charges 2012-13
State Building Renewal Assessment (Cash) Fund	-0-	-0-	-0-
University Building Renewal Assessment (Cash) Fund	-0-	-0-	-0-
State College Building Renewal Assessment (Cash) Fund	-0-	-0-	-0-
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>

Estimated difference in charges - LB380 vs. current law:

	2010-11	2011-12	2012-13
State Building Renewal Assessment (Cash) Fund	-0-	(1,404,140)	(1,404,140)
University Building Renewal Assessment (Cash) Fund	-0-	(8,666,747)	(9,455,517)
State College Building Renewal Assessment (Cash) Fund	-0-	(894,873)	(943,873)
	<u>-0-</u>	<u>(10,965,760)</u>	<u>(11,803,530)</u>